

De-Regulation of the Electric Power Industry in Illinois:

How it Affects POTW Management in Illinois

Water Environment Association

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Background: ComEd and Other Electric Utilities in Illinois

■ Service Areas

- CILCO (Peoria)
- CIPS (Springfield)
- IL Power (Decatur)
- Coops and Municipalities
- Iowa / Wisconsin / Missouri
- ComEd (Chicago)

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Familiar Electric Bills:

- **Bundled Rates**
 - General Service – Rate 6, 6L
 - 'Pumping' – Rate 24, or Rider 13
 - Parallel, Standby, Interruptible, Curtailable Service – Rate 18, Rider 4, 26, 27, 30, or 32

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WWTPs Getting Credit for Having Power-Making Capabilities

- **Running Gensets**
 - Making Your Own Power
 - Feeding the Grid
 - Running When Asked by ComEd

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Familiar Operational Issues

- On-Call for Genset Running – Dedicated Phone Line
- Starting/Running Equipment At Certain Times of Day/Week
- Scheduling High-Energy Activities Away from Summer Billing Period

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De-Regulation: Illinois Commerce Commission's Challenge

- Encouraging Competition
- Retaining Reliable Service
- Setting a Schedule

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What De-Regulation Means

- Existing Transmission / Distribution Services to Remain in Place
 - Continued Regulated Monopoly
 - Reliability, Service, and Maintenance
 - Billing Source

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What De-Regulation Means

- Any Approved Generator Can Compete to Sell You Power
 - They Feed the Grid
 - Some Energy is Lost in the Grid (you pay for this)
 - Billing / Administration

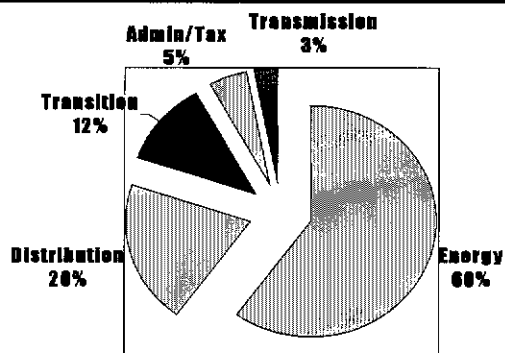
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New Rate Structure - ComEd

- New Rate: Retail Customer Delivery Service (RCDS)
- Includes Transition Charge Until End of 2006
- Allows Purchasing From Alternate Retail Electric Suppliers (ARES)

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Components of Rate RCDS - ComEd



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Features of Rate RCDS

- Distribution, Transmission, Administrative, Taxes – Regulated by ICC
- Customer Transition Charge (CTC) – Has Been Varying – Only Temporary Until Jan, 2007
- Genset Operation – Accounted Under Rider 4 (Parallel Operation)
- Energy Charge – Where the Competition Begins

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Energy Charge – Time to Shop Around

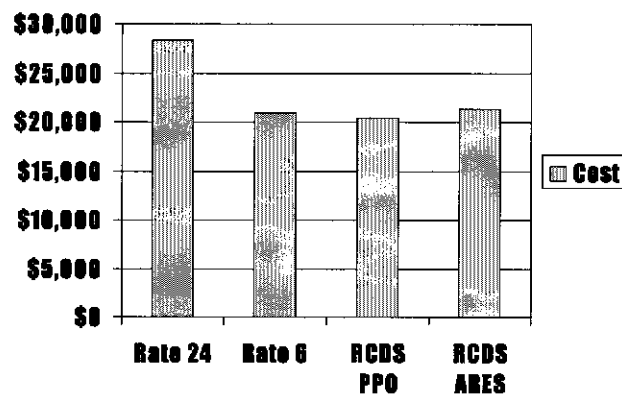
- Power Purchase Option (PPO) – Offered by ComEd:
 - PPO + CTC rate has been constant, close to Rate 6
 - 'Time of Day' Structure
 - Summer vs. Non-Summer Rates

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- Ameren Energy Marketing Company
- Blackhawk Energy Services, L.L.C.
- Central Illinois Light Company (CILCO)
- Constellation NewEnergy
- Dynegy Energy Services, Inc.
- EnerStar Power Corp.
- Exelon Energy Company
- Illinois Power Energy, Inc.
- MidAmerican Energy
- Peoples Energy Services Corporation
- Sempra Energy Solutions
- Sempra Energy Trading Corp.
- South Beloit Water Gas & Electric Co.

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How Does RCDS Compare with Existing Bundled Rates?



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How Will Bundled and Unbundled Rates Change in the Future?

- Bundled Rates Have Been Artificially Capped by ICC for Years. The Cap is to be Lifted Jan 1, 2007
- ARES Have Varying Levels of Aggressiveness in Pursuing Business - None Have Yet Submitted for Residential Service
- New Generating Facilities Limited to Gas-Fired Peaker Plants
- Many Unknowns – ICC's 'Post 2006 Initiative' Is Ongoing

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How To React To This Change

- Pooling With Other Communities
- Shopping Around
- Establishing Procurement Procedures
- Re-Evaluating Alternative Energy Sources

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